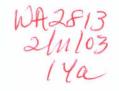


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 10

REGION 10 1200 Sixth Avenue Seattle, WA 98101 February 6, 2003



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Reply To

Attn Of: WCM-126

William S. Johnson Vice President & Chief Financial Officer Earle M. Jorgensen Company 3050 E. Birch Street Brea, CA 92821

Re:

CERCLA Section 106 Consent Order to Conduct Environmental Sampling at the Jorgensen Forge Facility, 8531 East Marginal Way South, Seattle, Washington 98108

Dear Mr. Johnson:

The U.S. Environmental Protection Agency (EPA) is requesting that investigatory sampling on the above-referenced Jorgensen Forge property related to potential releases of hazardous substances, most specifically Polychlorinated Biphenyls (PCBs), to the Duwamish Waterway be performed by the Earle M. Jorgensen Company (EMJ) for the reasons discussed below:

EPA is overseeing an investigation at The Boeing Company (Boeing) Plant 2 facility located directly north of the Jorgensen Forge facility in Seattle, Washington. Boeing is conducting the Plant 2 investigation pursuant to a Resource Conservation and Recovery Act (RCRA) Section 3008(h) Administrative Order on Consent (AOC). In addition, EPA is overseeing a remedial investigation and feasibility study (RI/FS) of the Lower Duwamish Waterway National Priorities List (NPL) site which is being conducted by four respondents including Boeing pursuant to a Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) AOC.

During these investigations, sediment contaminated with metals and PCBs has been detected in the Duwamish Waterway adjacent to the Jorgensen Forge facility. In addition, PCBs have been detected in soil and sediment on and adjacent to the Boeing Plant 2 property. EPA is currently in a dispute with The Boeing Company over Boeing's responsibility for sediment investigatory and cleanup work in the Duwamish Waterway south of the Boeing Plant 2 property boundary. Boeing has maintained that others should share equitably in any extension of the Plant 2 sediment hotspot investigation and cleanup south of Boeing's Plant 2 facility to the extent that others have contributed to and/or exacerbated the contamination.

Based on an inspection conducted by EPA under the Toxic Substances Control Act (TSCA) at the Jorgensen Forge facility in April 2002, along with materials submitted by Anchor Environmental on behalf of Jorgensen Forge, EPA believes that releases of PCBs from Jorgensen Forge, if any, likely predate transfer of the current Jorgensen Forge facility property from EMJ in June 1992. For this reason, EPA is requesting that EMJ conduct environmental sampling on the Jorgensen Forge facility pursuant to Section 106 of CERCLA.

EPA and Boeing have proposed that the sediment cleanup adjacent to the Plant 2 property commence in 2004 as an interim corrective action under RCRA. Boeing's cleanup is also considered an early action removal in the CERCLA process. Because the work that EPA is requesting EMJ to perform is related to establishing a southern boundary to the Boeing 2004 RCRA sediment hotspot cleanup, EPA is requesting that the Jorgensen Forge investigation be promptly performed. As such, EPA has enclosed a draft CERCLA Section 106 AOC and a draft Statement of Work (SOW) which describe the work to be performed at Jorgensen Forge facility.

Please review the enclosed AOC and SOW and reply to us within 30 days of receipt of this letter regarding EMJ's willingness to perform the required investigatory work.

If you have any project management or technical questions, please call Howard Orlean, at (206) 553-2851, or Anna Filutowski, at (206) 553-5122. If you have any legal questions, please call Charles Ordine of the Office of Regional Counsel, at (206) 553-1504.

Sincerely,

Richard Albright, Director

Office of Waste and Chemicals Management